



METROPOLITAN  
TRANSPORTATION  
COMMISSION  
SERVICE AUTHORITY  
FOR FREEWAYS  
AND EXPRESSWAYS

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## Memorandum

TO: Operations Committee

DATE: June 3, 2011

FR: Executive Director

W.I.: 1231, 1232, 1235, 1237

RE: MTC SAFE FY 2011-12 Budget – MTC SAFE Resolution 56

The SAFE program will begin the next fiscal year with an Operating Reserve of \$12.0 million. With the proposed expenditures and transfers in the draft FY 2011-12 budget described in this memo, we project the SAFE reserve will have a balance of \$12.2 million at the close of FY 2011-12. In addition, we project a capital reserve balance of \$6.1 million at the end of FY 2011-12.

### Budget Summary (in thousands)

<u>Operating Budget</u>		<u>Capital Budget</u>	
Opening Reserve Balance	\$11,951	Opening Reserve Balance	\$6,479
FY 2011-12 Operating		FY 2011-12 Capital	
Revenue	\$17,320	Revenue	\$8,160
Expenses	<\$16,277>	Expenses	<\$8,510>
Transfers	<\$814>	Transfers	\$0
Operating Surplus	\$229	SAFE Transfer	<\$350>
Ending Reserve Balance	\$12,180	Ending Reserve Balance	\$6,129

### Operating Budget

We are forecasting that annual vehicle registration fees dedicated to the Bay Area Call Box program will hold steady at approximately \$5.9 million. The Freeway Service Patrol is expected to receive State funding of approximately \$6.0 million and \$3.6 million in federal Surface Transportation Program (STP) funding. In combination with other funding sources, total operating revenues for the SAFE program are forecast to be \$17.3 million in FY 2011-12.

Operating expenditures will total \$16.3 million, the bulk of which is for Freeway Service Patrol (FSP) tow service contracts (\$9.2 million). Other operating expenses include \$1.6 million for general

operations and \$1.0 million for consulting services. MTC SAFE will transfer approximately \$814,000 to the 511 program to provide local match for Federal grants.

### **Capital Budget**

SAFE will receive \$8.2 million in non-SAFE funding for the Incident Management and Freeway Performance Initiative projects in the SAFE capital program. The draft budget recommends \$8.5 million for new capital projects in FY 2011-12 (listed in Attachment B), which requires a SAFE contribution of \$350,000.

### **SAFE Program Reserves**

The SAFE Program has two reserves, an Operating Reserve and a Capital Reserve. An increase of STP funds for the Freeway Service Patrol program and a decrease in operating expenditures for the Freeway Service Patrol and Call Box programs will balance operating revenues and expenses in FY 2011-12. As a result, the SAFE operating reserve is expected to stabilize within a range of \$9 and \$12 million over the next five years. At the close of FY 2011-12, we anticipate an operating reserve of approximately \$12.2 million and a capital reserve of approximately \$6.1 million.

The SAFE Operating Reserve at the close of the last audited fiscal year, 2009-10, was \$12.1 million. The following are the components of the last audited SAFE Operating Reserve at the close of FY 2009-10:

Un-Invoiced MTC Transfer	\$4.1 million
Cash	\$3.2 million
Investments	\$1.6 million
Accounts Receivable	\$1.7 million
Fixed Assets	\$1.4 million
Pre-Paid Next FY	\$0.1 million

### **Recommendation**

Staff recommends that the Committee refer MTC SAFE Resolution No. 56, to the Authority for approval.

  
\_\_\_\_\_  
Steve Heminger

SH: SP

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Date: June 22, 2011  
W.I.: 1231, 1232, 1235, 1237  
Referred by: Operations

ABSTRACT

SAFE Resolution No. 56

Subject

This resolution approves the FY 2011-12 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways.

Further discussion of the FY 2011-12 Budget is contained in the Executive Director's Memorandum to the Operations Committee dated June 10, 2011.

Date: June 22, 2011  
W.I.: 1231, 1232, 1235, 1237  
Referred by: Operations

RE: Approval of the FY 2011-12 Budget for the Metropolitan Transportation Commission Service Authority for Freeways and Expressways

METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

SAFE RESOLUTION NO. 56

WHEREAS, SAFE Resolution No. 1 established a Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE or SAFE) pursuant to Streets and Highways Code §§ 2550-2556, which provides for the design, installation, operation and maintenance of a motorist aid call box system in any of the Bay Area counties that elect to join SAFE; and

WHEREAS, the SAFE staff has prepared a budget setting forth the anticipated revenues and expenditures of the SAFE for FY 2011-12; and

WHEREAS, on June 10, 2011 the Operations Committee reviewed the final SAFE Budget for FY 2011-12 and recommended its approval and recommend its approval, now, therefore, be it

RESOLVED, that the SAFE approves the FY 2011-12 budget to be effective July 1, 2011, attached hereto as Attachment A and incorporated herein as though set forth in full, in the amounts and for the purposes listed therein; and, be it further

RESOLVED, that the Operations Committee may approve adjustments among line items in the SAFE Budget for FY 2011-12 providing that there shall be no increase in the overall budget without prior approval of the full SAFE; and, be it further

RESOLVED, that SAFE's Executive Director, or the responsible SAFE staff person designated by the Executive Director, is authorized to carry over all funds properly budgeted in the prior year for which expenditures were budgeted and encumbered which will take place in FY 2011-12 and be it further

RESOLVED, that the SAFE staff shall furnish the Operations Committee with a quarterly financial report to reflect estimated and actual income, expenditures, obligations for professional and consultant services, cash flow projections and such other information and data as may be requested by the Operations Committee.

RESOLVED, that the Commission authorizes the Chief Financial Officer to set aside up to 20% of the operating costs into an Operating Reserve to be utilized only with specific authority of the Commission.

METROPOLITAN TRANSPORTATION  
COMMISSION SERVICE AUTHORITY FOR  
FREEWAYS AND EXPRESSWAYS

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Adrienne J. Tissier, Chair

The above resolution was entered into by  
the Metropolitan Transportation Commission  
Service Authority for Freeways and Expressways  
at a regular meeting of the Board held in Oakland,  
California on June 22, 2011.

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

Date: June 10, 2011  
SAFE: WE 1231, 1232, 1235 & 1237

**SAFE RESOLUTION NO. 56**

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

<b>Revenue and Expense Summary</b>			
<b>OPERATING REVENUE/EXPENSE</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Percent Change</b>
Call Box	\$7,833,640	\$8,250,000	5.3%
FSP	\$10,410,000	\$9,070,000	-12.9%
<b>Subtotal Operating Revenue</b>	<b>\$18,243,640</b>	<b>\$17,320,000</b>	<b>-5.1%</b>
Call Box	\$5,407,318	\$5,304,696	-1.9%
FSP	\$11,647,574	\$10,972,412	-5.8%
<b>Subtotal Operating Expense</b>	<b>\$17,054,892</b>	<b>\$16,277,108</b>	<b>-4.6%</b>
<b>Operating Surplus (Shortfall)</b>	<b>\$1,188,748</b>	<b>\$1,042,892</b>	<b>-12.3%</b>
<b>CAPITAL REVENUE/EXPENSE</b>			
Freeway Performance Initiative	\$2,424,000	\$2,300,000	-5.1%
Incident Management	\$1,640,000	\$5,360,000	226.8%
Call Box	\$0	\$500,000	
<b>Subtotal Capital Revenue</b>	<b>\$4,064,000</b>	<b>\$8,160,000</b>	<b>100.8%</b>
Call Box	\$0	\$500,000	
FSP	\$0	\$250,000	
Incident Management	\$1,640,000	\$5,360,000	226.8%
Freeway Performance Initiative	\$2,574,000	\$2,400,000	-6.8%
<b>Subtotal Capital Expense</b>	<b>\$4,214,000</b>	<b>\$8,510,000</b>	<b>101.9%</b>
<b>Capital Surplus (Shortfall)</b>	<b>(\$150,000)</b>	<b>(\$350,000)</b>	<b>133.3%</b>
<b>Transfers Out</b>	<b>(\$1,204,472)</b>	<b>(\$814,000)</b>	<b>-32.4%</b>
<b>CONTRIBUTION FROM RESERVES</b>			
<i>In (Out)</i>	\$165,724	\$121,108	-26.9%
<b>FISCAL YEAR SURPLUS(SHORTFALL)</b>	<b>\$0</b>	<b>\$0</b>	

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

**REVENUE DETAIL**

	FY 2010-11	FY 2011-12	Percent Change
<b>CALL BOX REVENUES</b>			
Vehicle Registration Fees	\$6,000,000	\$5,900,000	-1.7%
Grants (Incident Management & Freeway Performance Initiative)	\$1,660,000	\$1,200,000	-27.7%
Grant (STP)		\$1,000,000	
Interest	\$173,640	\$150,000	-13.6%
Subtotal: Call Box Revenues	\$7,833,640	\$8,250,000	5.3%
<b>FSP REVENUES</b>			
State Local Assistance Program (LAP)	\$6,600,000	\$6,000,000	-9.1%
State CMAQ carryover	\$150,000	\$300,000	100.0%
Grant (STP)	\$3,560,000	\$2,670,000	-25.0%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	\$10,410,000	\$9,070,000	-12.9%
<b>CAPITAL REVENUES</b>			
Highway 12 Corridor Study (various)	\$766,000		-100.0%
FPI Regional Corridor Studies (CCAG)		\$300,000	
Call Box (transfer from BATA for Bridges)		\$500,000	
FPI Corridor Study	\$858,000		-100.0%
FPI Corridor Study (Detection Fitness)	\$500,000		-100.0%
FPI SR 92/Hwy 101 Interchange (CCAG, SMCTA)	\$300,000		-100.0%
FPI Implementation (CMAQ)		\$2,000,000	
Incident Management (CMAQ)	\$1,640,000	\$5,360,000	226.8%
Subtotal: Capital Revenues	\$4,064,000	\$8,160,000	100.8%
<b>RESERVE CONTRIBUTIONS</b>			
Transfer - MTC Transfer	\$1,204,472	\$814,000	-32.4%
Transfer - Operating Shortfall/Surplus	(\$1,188,748)	(\$1,042,892)	-12.3%
Transfer - Capital Shortfall	\$150,000	\$350,000	133.3%
Subtotal: Changes in Reserves	\$165,724	\$121,108	-26.9%
<b>Revenues Applied to Budget Year</b>	<b>\$22,473,364</b>	<b>\$25,601,108</b>	<b>13.9%</b>



**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

<b>EXPENSE DETAIL</b>			
<b>SAFE OPERATING EXPENSE</b>			
<b>I. Salaries and Benefits</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Percent Change</b>
Call Box Program	\$560,132	\$570,317	1.8%
FSP Program	\$369,391	\$408,211	10.5%
Incident Management Program	\$535,455	\$449,708	-16.0%
Freeway Performance Initiative Program	\$902,128	\$1,021,537	13.2%
<b>II. General Operations</b>			
Call Box Program	\$1,314,269	\$1,311,134	-0.2%
FSP Program	\$264,640	\$284,356	7.5%
<b>III. Consultant Services</b>			
Call Box Program	\$417,500	\$361,000	-13.5%
FSP Program	\$625,000	\$625,000	0.0%
<b>IV. Operating Contracts</b>			
Call Box Program	\$1,677,834	\$1,591,000	-5.2%
FSP Program	\$10,388,543	\$9,654,845	-7.1%
<b>CALL BOX Operating Expense</b>	<b>\$5,407,318</b>	<b>\$5,304,696</b>	<b>-1.9%</b>
<b>FSP Operating Expense</b>	<b>\$11,647,574</b>	<b>\$10,972,412</b>	<b>-5.8%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$17,054,892</b>	<b>\$16,277,108</b>	<b>-4.6%</b>
<b>SAFE CAPITAL EXPENSE</b>			
<b>V. Capital Expenditures</b>			
Call Box	\$0	\$500,000	
FSP Program	\$0	\$250,000	
Incident Management	\$1,640,000	\$5,360,000	226.8%
Freeway Performance Initiative	\$2,574,000	\$2,400,000	-6.8%
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$4,214,000</b>	<b>\$8,510,000</b>	<b>101.9%</b>
<b>TRANSFERS OUT</b>			
MTC (Freeway Emergency Preparation)	\$200,000		-100.0%
MTC (Arterial Operations Coordination)	\$233,889		-100.0%
MTC (511)	\$770,583	\$814,000	5.6%
<b>TOTAL OTHER PROJECTS/TRANSFERS OUT</b>	<b>\$1,204,472</b>	<b>\$814,000</b>	<b>-32.4%</b>
<b>TOTAL EXPENSE</b>	<b>\$22,473,364</b>	<b>\$25,601,108</b>	<b>13.9%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

<b>I. SALARIES AND BENEFITS EXPENSE</b>			
	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
Salaries	\$560,132	\$570,317	
<b>Call Box Subtotal</b>	<b>\$560,132</b>	<b>\$570,317</b>	<b>1.8%</b>
<b>FREEWAY SERVICE PATROL</b>			
Salaries	\$369,391	\$408,211	
<b>FSP Subtotal</b>	<b>\$369,391</b>	<b>\$408,211</b>	<b>10.5%</b>
<b>INCIDENT MANAGEMENT (IM)</b>			
Salaries	\$535,455	\$449,708	
<b>IM Subtotal</b>	<b>\$535,455</b>	<b>\$449,708</b>	<b>-16.0%</b>
<b>FREEWAY PERFORMANCE INITIATIVE (FPI)</b>			
Salaries	\$902,128	\$1,021,537	
<b>FPI Subtotal</b>	<b>\$902,128</b>	<b>\$1,021,537</b>	<b>13.2%</b>
<b>Total Salaries and Benefits</b>	<b>\$2,367,106</b>	<b>\$2,449,773</b>	<b>3.5%</b>
<b>II. GENERAL OPERATIONS EXPENSE</b>			
	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
Graphics/printing	\$10,000	\$7,500	-25.0%
Office depreciation	\$280,000	\$260,000	-7.1%
Travel	\$12,500	\$11,250	-10.0%
MTC overhead	\$501,359	\$457,968	-8.7%
FPI overhead	\$392,041	\$464,016	18.4%
Legislative advocacy	\$21,000	\$21,000	0.0%
Professional Memberships	\$7,500	\$9,150	22.0%
Insurance	\$40,000	\$40,800	2.0%
Audit	\$49,869	\$34,450	-30.9%
Legal Expenses		\$5,000	
<b>Call Box Subtotal</b>	<b>\$1,314,269</b>	<b>\$1,311,134</b>	<b>-0.2%</b>
<b>FREEWAY SERVICE PATROL</b>			
Graphics/printing	\$10,000	\$7,500	-25.0%
Office depreciation	\$9,000	\$9,000	0.0%
Travel	\$10,000	\$11,250	12.5%
MTC Overhead	\$148,638	\$185,256	24.6%
Insurance	\$40,000	\$40,800	2.0%
Audit	\$47,002	\$30,550	-35.0%
<b>FSP Subtotal</b>	<b>\$264,640</b>	<b>\$284,356</b>	<b>7.5%</b>
<b>Total General Operations</b>	<b>\$1,578,909</b>	<b>\$1,595,490</b>	<b>1.1%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

**III. CONSULTANTS/PROFESSIONAL SERVICES EXPENSE**

	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
Information/Data Management	\$110,000	\$80,000	-27.3%
Construction Services	\$20,000	\$10,000	-50.0%
Call Box Inspections	\$75,000	\$60,000	-20.0%
Private Dispatch consulting fees and back-up	\$12,500	\$11,000	-12.0%
511 Freeway Aid Marketing	\$150,000	\$150,000	0.0%
Consultant other	\$50,000	\$50,000	0.0%
<b>Call Box Subtotal</b>	<b>\$417,500</b>	<b>\$361,000</b>	<b>-13.5%</b>
<b>FREEWAY SERVICE PATROL</b>			
Systems Integrator	\$325,000	\$250,000	-23.1%
FSP Benefit/Cost Analysis	\$250,000	\$150,000	-40.0%
FSP Pre-Award Audits		\$175,000	
Consultant other	\$50,000	\$50,000	0.0%
<b>FSP Subtotal</b>	<b>\$625,000</b>	<b>\$625,000</b>	<b>0.0%</b>
<b>Total Consultant Expense</b>	<b>\$1,042,500</b>	<b>\$986,000</b>	<b>-5.4%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

**IV. OPERATING CONTRACTS EXPENSE**

	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>Percent Change</b>
<b>CALL BOX PROGRAM</b>			
CHP Dispatching	\$216,834	\$211,000	-2.7%
Telcommunication Services	\$276,000	\$280,000	1.4%
Call Box Repairs/Maintenance/Vandalism	\$950,000	\$900,000	-5.3%
Private Call Center	\$145,000	\$100,000	-31.0%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Incident Management/FPI Operations	\$30,000	\$40,000	33.3%
Call Box Operations	\$10,000	\$10,000	0.0%
<b>Call Box Subtotal</b>	<b>\$1,677,834</b>	<b>\$1,591,000</b>	<b>-5.2%</b>
<b>FREEWAY SERVICE PATROL</b>			
FSP Tow Service	\$9,908,593	\$9,201,645	-7.1%
CHP Funding Agreement	\$0	\$97,000	
In-vehicle Maintenance	\$141,250	\$60,000	-57.5%
Telecommunication Services	\$122,200	\$112,200	-8.2%
System Maintenance	\$50,000	\$50,000	0.0%
Equipment Replacement (hardware)	\$50,000	\$25,000	-50.0%
System Improvement (software)	\$50,000	\$50,000	0.0%
FSP General Operations	\$66,500	\$59,000	-11.3%
<b>FSP Subtotal</b>	<b>\$10,388,543</b>	<b>\$9,654,845</b>	<b>-7.1%</b>
<b>Total Operating Contracts Expense</b>	<b>\$12,066,377</b>	<b>\$11,245,845</b>	<b>-6.8%</b>

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS  
FY 2011-12 BUDGET**

**V. CAPITAL/PROJECT EXPENSE**

	<b>FY 2010-11</b>	<b>FY 2011-12</b>
<b>CALL BOX PROGRAM (1231)</b>		
Bridge call boxes	\$0	\$500,000
<b>Call Box Subtotal</b>	<b>\$0</b>	<b>\$500,000</b>
<b>FREEWAY SERVICE PATROL</b>		
FSP Data System Upgrade	\$0	\$250,000
<b>FSP Subtotal</b>	<b>\$0</b>	<b>\$250,000</b>
<b>INCIDENT MANAGEMENT PROJECTS (1235)</b>		
IM Project Implementation (T-2035)	\$1,640,000	\$5,360,000
<b>Incident Management Subtotal</b>	<b>\$1,640,000</b>	<b>\$5,360,000</b>
<b>FREEWAY PERFORMANCE INITIATIVE PROJECTS (1237)</b>		
FPI Regional Corridor Studies	\$0	\$400,000
Highway 12 Corridor Study	\$916,000	\$0
SR 92/Hwy 101 Interchange Study	\$300,000	\$0
Corridor Analysis (Detection Fitness)	\$500,000	\$0
FPI Implementation (T-2035)	\$858,000	\$2,000,000
<b>Freeway Performance Initiative Subtotal</b>	<b>\$2,574,000</b>	<b>\$2,400,000</b>
<b>Total Capital Expense</b>	<b>\$4,214,000</b>	<b>\$8,510,000</b>

**Attachment B**  
**SAFE Capital Project Funding**  
**FY 2011-12**

- **Freeway Incident Management and Operational Efficiency Projects (\$5,360,000 Congestion Mitigation and Air Quality):** This funding will implement projects to enhance incident management and reduce congestion along the I-880 corridor in Alameda County. The I-880 corridor was selected to serve as a regional test bed to develop, deploy and assess the benefits of incident management strategies because it is a densely populated, multi-modal corridor that connects major employment centers. As a major goods movement corridor, I-880 has high traffic volumes and incident rates, and serves as a route of major economic significance both within the region and throughout the state. Specific project proposals are being developed in collaboration with Caltrans and local stakeholders, and will be brought to this committee for approval.
- **Freeway Performance Initiative (\$2,000,000 Congestion Mitigation and Air Quality):** This funding is intended to support the design, implementation, and maintenance of ramp meters, traffic operation systems, and transportation management center projects to maximize freeway performance and reliability.